WHAT IS CLAIMED IS:

1. For an issuer, a method of issuance of a convertible note, comprising the steps of:

acquiring or holding a significant minority of a target company's conventional stock;

entering into an arrangement with the target company which results in an allocation of a dividend stream to the issuer;

issuing medium term convertible notes which are associated with an enhanced coupon or dividend rate.

2. The method of claim 1, wherein:

the significant minority is 5-20%.

3. The method of claim 1, wherein:

the arrangement requires the company to reorganise its capital so that a significant portion of the target company's convention stock gets recuperated and replaced by an equivalent number of new shares issued by the target company;

the new shares not paying any dividend.

4. The method of claim 3, wherein:

the arrangement requires the target company to divert a dividend stream or a franking credit associated with the recuperated stock to the issuer.

5. The method of claim 4, wherein:

the issuer enhances the notes with a portion of the diverted dividend stream or franking credit.

6. The method of claim 5, wherein:

the issuer offers a competitive dividend rate or franking credit on the notes and also uses the diverted dividend stream or franking credit to generate professional fees for itself, or purchase insurance on its capital portfolio or to develop a pool of cash against which warrants and options can be risked for the purpose of forming a stock price buffer.

7. The method of claim 1, wherein:

the issuer prices put and call options or warrants such that speculators and hedge funds would be attracted to take positions out of synchrony with a current volatility in the underlying stock.

8. For a company having conventional stock, a method of issuing synthetic capital stock, comprising the steps of:

recuperating or holding a portion of its convention stock;

entering into an arrangement with an issuer of notes whereby the dividend stream or franking credits of the recuperated or held portion is diverted to the issuer;

the company then issuing synthetic capital stock to replace the recuperated or held portion, the synthetic capital stock not having any associated dividend or franking credits.

9. The method of claim 8, wherein:

the arrangement requires the issuer to issue convertible medium term notes having enhanced dividend or franking credit notes.

10. The method of claim 1, wherein:

the number of shares in the significant minority is equal to the number of convertible notes.